



GENERAL UPDATE

- The NYMEX contract for November 2018 expired Monday, October 22 at \$3.185/MMBtu. The December 2018 prices ticked \$0.03 (0.09%) higher to finish the week at \$3.261/MMBtu, though prompt month trading opened \$0.25 higher to start this week as the November weather forecast trends colder.
- Northeast physical gas spot prices saw price decreases as mild temperatures moved into the region. Boston's Algonquin Citygate prices dropped \$1.31 (-31.1%) to \$2.90/MMBtu. Transco Zone 6 NYC also decreased \$0.74 (-21.2%) to \$2.75/MMBtu.
- Tennessee Zone 4 Marcellus prices decreased \$0.55 (-17.1%) to \$2.66/MMBtu. Dominion South, serving southwest Pennsylvania, fell \$0.48 (-15.1%) to \$2.69/MMBtu. Chicago Citygate prices dropped \$0.42/MMBtu (-11.9%) to \$3.11/MMBtu.
- SoCal Citygate were the only prices to experience gains, increasing \$1.01 (22.5%) to \$5.49/MMBtu due to above-average temperatures forecasted for the end of October. Prices at Northern California PG&E Citygate decreased \$0.58 (-13.3%) to \$3.78/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip gained \$0.86 (1.8%) to \$48.63. The 24 Month ATC strip increased \$0.52 (1.1%) to \$47.46 while the Cal 2019 ATC strip increased \$1.18 (2.5%) to \$48.23/MWh.
- In NYISO, the Zone J 12 Month ATC strip increased \$0.91 (2.1%) to \$43.63. The 24 Month ATC strip increased \$0.41 (1.0%) to \$42.22 while the Cal 2019 increased \$0.80 (1.9%) to \$41.86/MWh.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased \$0.86 (2.1%) to \$41.41. The 24 Month ATC strip increased \$0.60 (1.5%) to \$39.85, while the Cal 2019 ATC strip increased \$0.56 (1.4%) to \$40.50/MWh.
- In ERCOT, the Houston zone 12 Month ATC strip increased \$0.85 (1.9%) to \$45.70. The 24 Month ATC strip increased \$0.37 (0.9%) to \$41.85, while the Cal 2019 ATC strip increased \$0.51 (1.2%) to \$44.48/MWh.

UTILITY HIGHLIGHT

PJM

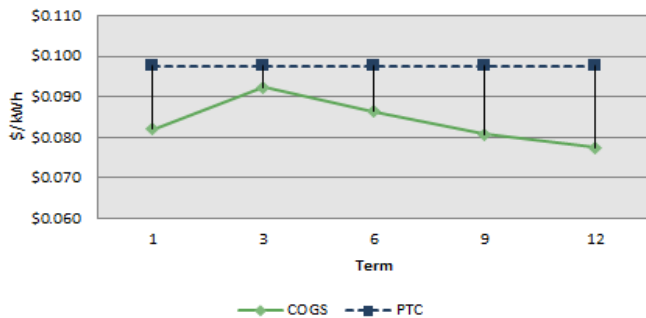


MD

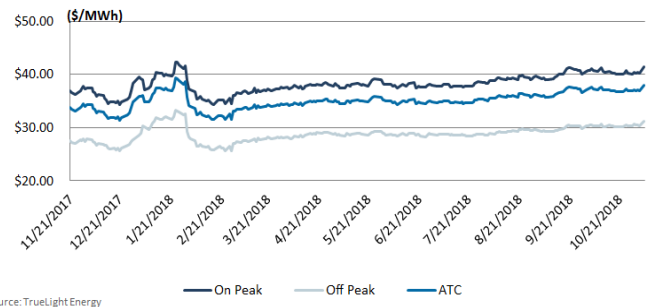


POTED

POTED - GSCS



POTED - 12 MONTH STRIP PRICING

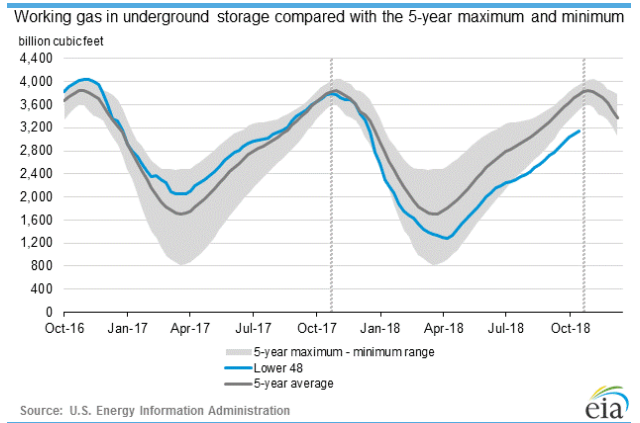


- The current Price to Compare (PTC) for Maryland's Potomac Edison (POTED) General Service Small Commercial Type I 0-700 kWh and >700 kWh calculated blend rate class (GSCS) is \$0.1041/kWh for the current price period starting November 1, 2018.
- Headroom has shifted since POTED PTC was last reported on October 16, 2018, with the 1 month term decreasing 35.4% from \$0.02431/kWh to \$0.01571/kWh and the 12 month term decreasing 17.2% from \$0.02446/kWh to \$0.02024/kWh. Headroom is likely available at all the 1, 3, 6, 9, and 12 month terms.
- Over the last week, the POTED ATC 12-month strip has increased 3% to finish at \$38.04/MWh.
- Since June 1, 2018, the strip has traded between \$34.36/MWh and \$38.04/MWh, which was reached yesterday November 5, 2018.



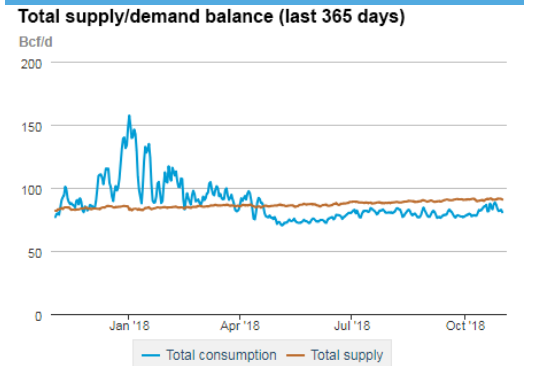
NATURAL GAS

- For the week ending October 26, the EIA reported net injections into storage of +48 Bcf, which is lower than last year's net injections of +65 Bcf for this week and the 2013-2017 average net injections of +62 Bcf.
- Working natural gas stocks totaled 3,143 Bcf, which is 623 Bcf (-16.4%) lower than last year's level and 638 Bcf (-16.8%) lower than the five year average of 3,781 Bcf.
- For the January 2019 futures contract, working gas stocks continue to trade at a lower premium, with NYMEX averaging at \$3.33/MMBtu which is \$0.07/MMBtu higher than the spot price. Last year at this time, the January 2019 contract was \$0.37/MMBtu higher than the spot price.



SUPPLY & DEMAND

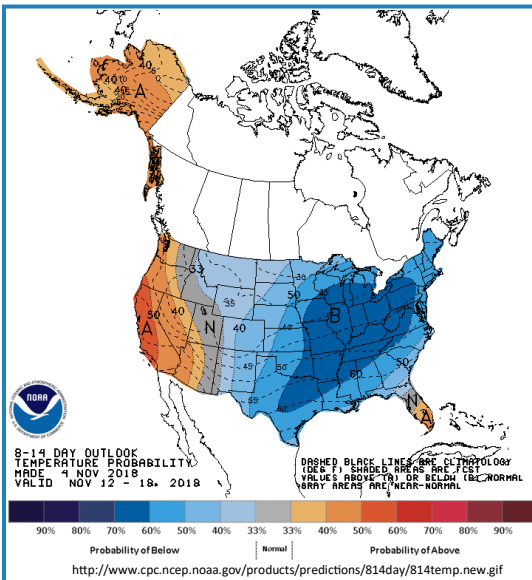
- The EIA reported that the average total supply of natural gas did not change from last week, averaging 91.1 Bcf/day. A 1% increase in dry natural gas production was offset by a 15% drop in average net imports from Canada.
- Total U.S. consumption of natural gas decreased 1% week/week, chiefly driven by a 2% drop in consumption for power generation. Residential-commercial sector demand dropped by 1%, industrial sector consumption was unchanged, and exports to Mexico decreased by 3%.
- LNG exports increased with seven LNG vessels, totaling 24.5 Bcf, departing U.S. ports throughout the week.



MARKET INTELLIGENCE

- In its recent Seasonal Assessment of Resource Adequacy (SARA) report, ERCOT announced expectations for sufficient generating capacity for winter and spring 2019 peak demand. This report assesses potential risks affecting grid reliability, available resource capacity to service seasonal demand, and anticipated generation outages based on historical data. A final report has been released for winter 2018, while the spring 2019 report is in its preliminary stages.
- Connecticut Light & Power (CL&P), d/b/a Eversource, has filed new Standard Service rates for the January 1, 2019 to June 30, 2019 price period. New rates are as follows: Residential Electric Service Non-Heating rate (Rate 1) and Residential Electric Heating Service rate (Rate 5) to increase 19% to \$0.10143/kWh, and Small General Electric Service (Rate 30) to increase 15.2% to \$0.10851/kWh. Connecticut's United Illuminating (UI) also filed new Standard Service rates for the January 1, 2019 to June 30, 2019 price period, with residential Rate R set to increase 24% to \$0.112263/kWh and General Service Rate GS to increase 20% to \$0.107754/kWh.

Source: OPIS PointLogic Energy, an IHS Company



WEATHER

- Below normal temperature anomalies sweep across the bulk of the U.S. in the 8-14 day window. A deep trough allows colder Canadian air to shoot down through the northern Rockies into the Midwest. This will bring the first taste of winter to most of the U.S. with a high probability of near-to-below freezing temperatures. The Rocky Mountains establish the dividing line for temperature trends, with a healthy ridge bringing above normal temperatures everywhere west of the Rockies.
- This batch of cold air will be accompanied by below normal to neutral precipitation risks across most of the U.S. Texas and the southern Atlantic coast are lone spots of above normal precipitation.

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